

**DEPARTMENT OF HEALTH SERVICES**

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CMSP Letter: 97-2

Date Issued: January 10, 1997

**TO:** All County Medical Services Program (CMSP) County Welfare Directors**SUBJECT:** Processing Medi-Cal Applications for Aid Code 53 Applicants

The purpose of this letter is to bring to your attention

- 1) some of the inconsistencies identified among CMSP eligibility workers (EWs) in the processing of Medi-Cal applications for Aid Code 53 applicants;
- 2) how delays in processing these Medi-Cal applications create delays in patient admissions and billing problems for providers who submit claims before the Aid Code 53 eligibility is established on the system; and,
- 3) how the share of cost (SOC) of a CMSP case is applied when a recipient converts to an Aid Code 53.

**BACKGROUND**

The transfer of the Medi-Cal Medically Indigent Adults (MIA-state-only) population to the counties took place January 1, 1983. An exception to this transfer was those Medi-Cal MIAs residing in a skilled nursing facility/intermediate care facility (SNF/ICF), who would remain eligible for Medi-Cal under Aid Code 53. Medi-Cal has continued to provide those normally covered Medi-Cal benefits to these MIAs, except for acute inpatient services, which are the responsibility of the county of residence. Procedures for processing the Medi-Cal applications for MIAs residing in a SNF/ICF

are contained in Section 19C (copy attached) of the Medi-Cal Eligibility Manual. Procedures for processing the CMSP applications for Medi-Cal Aid Code 53 recipients requiring acute care are contained in Article 3, Section 0149, of the CMSP Eligibility Manual.

When Aid Code 53 was established, CMSP implemented a policy that states, "The share of cost for a person eligible for Medi-Cal under Aid Code 53 determined in accordance with Section 0149 shall be zero for the month or months of CMSP eligibility." The CMSP policy also states that, "For CFBU's which include ineligible members who are also eligible members of an MFBU...(1) The share of cost of the MFBU shall also be the share of cost of the CFBU..." (Reference: CMSP Eligibility Manual, Article 10, Sections 0653 and 0653(b).) The provider who certifies the SOC for the MFBU recipient should also certify the SOC for the CFBU recipient(s) in the case.

## **PROBLEMS**

**Problem 1:** The CMSP staff have identified inconsistencies among EWs from various CMSP counties on how they interpret Section 19C and process Medi-Cal applications for Aid Code 53 applicants. Based on the varying interpretations, CMSP staff posed the following questions to Medi-Cal for clarification, and Medi-Cal responded:

Question a: Does an individual, either applicant or current eligible, have to be in a SNF/ICF for a fixed period of time BEFORE they can be placed in Aid Code 53?

Answer: Persons in Aid Code 53 need only be "residing" in a SNF/ICF, there is no fixed period of time.

Question b: Is there any special (expedited or urgent) handling of applicants' cases when they are in a SNF/ICF?

Answer: As far as expedited handling, no. Most counties try to get these cases done as soon as possible, but unless someone is being denied treatment, there is no expedited criteria to be met. Most CMSP/Aid Code 53 individuals do not have much in the way of income or resources though, so they shouldn't take an inordinate amount of time to process. The county has the 45-day period to take action, but are to take action as soon as eligibility can be established.

Question c: Can an individual be placed in Aid Code 53 BEFORE they are actually admitted to a SNF/ICF?

Answer: The counties are advised that if the SNF/ICF won't accept the person until he/she has Aid Code 53, it is possible to assign Aid Code 53 immediately proceeding intake; otherwise, there is a "catch 22" problem.

Question d: If a person moves into a SNF/ICF facility during a month, when does Aid Code 53 eligibility commence (i.e., on the date of entry; after 30 days; the next month)?

Answer: The person is assigned this aid code upon entrance, but is eligible for the entire month for SNF/ICF type services.

Question e: Can Aid Code 53 eligibility be retroactive?

Answer: Yes.

**Problem 2:** The CMSP staff have been advised by providers (e.g., skilled nursing facilities, ambulance services, and other outpatient providers) that often their claims are not paid due to the significant lag time between the dates of services and the date the patient is certified eligible on MEDS.

**Problem 3:** The CMSP staff also have identified inconsistencies among EWs from various CMSP counties on how they apply and certify the SOC for CMSP cases which include an Aid Code 53 recipient.

## **SOLUTION**

It is unrealistic, at this time, to request that Medi-Cal revise Section 19C of their Eligibility Manual, in order to eliminate many of the inconsistencies found in the processing of Medi-Cal applications for Aid Code 53. Also, CMSP cannot expect providers to adjust their billing cycles just to accommodate Aid Code 53 claims. And, lastly, the CMSP Eligibility Manual is clear on how the SOC is applied for CMSP cases involving Aid Code 53 recipients.

Therefore, the Eligibility Committee of the CMSP Governing Board has authorized CMSP to communicate with CMSP county eligibility staff, via this letter, to:

- 1) inform county staff of the problems associated with Aid Code 53 applications, so that many of the inconsistencies identified among CMSP county EWs can be

eliminated; 2) stress the importance of quickly identifying Medi-Cal eligibility under Aid Code 53, in order to alleviate delays in admitting patients and in claims payments to providers; and, 3) remind EWs of how the SOC is applied for CMSP cases which include an Aid Code 53 recipient.

Thank you for giving immediate attention to the above information. **This is the only copy of this letter your county will receive.** Please copy and circulate to staff, as necessary. If you have any comments or questions concerning this letter, please contact Ms. Paulette Quam of my staff, at (916) 322-1613.

Sincerely,



Jim Martinez, Chief  
County Medical Services Program Unit

Attachment

cc: Paulette Quam  
County Medical Services Program Unit  
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MEDI-CAL ELIGIBILITY MANUAL  
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19C -- LIMITED SERVICES FOR MEDICALLY INDIGENT  
ADULTS IN SNF/ICF

1. BACKGROUND

AB 799 (1982), as modified by SB 2012 (1982), mandated the State to discontinue the medically indigent adult (MIA) category, with a few exceptions, from the Medi-Cal program and to transfer responsibility for the health care of those persons to the counties effective January 1, 1983.

One of the exceptions to the discontinued MIAs is the category of MIAs residing in a skilled nursing facility (SNF) or intermediate care facility (ICF) who are identified by the Aid Code 53. While a MIA is a resident of an SNF/ICF, he/she is entitled to all benefits normally covered by Medi-Cal. However, should that MIA beneficiary become an inpatient at an acute care hospital, any service rendered during that hospital stay will not be covered by the Medi-Cal program.

2. COUNTY WELFARE DEPARTMENT RESPONSIBILITY

If an MIA beneficiary in an SNF/ICF (Aid Code 53) becomes an inpatient at an acute care facility, the Medi-Cal program will deny payment for any acute care hospital services. Therefore, an evaluation or referral must be initiated by the county welfare department or other responsible agency to determine possible eligibility for county medical assistance for those services not covered under the Medi-Cal program.

An MIA beneficiary may have concurrent Aid Code 53 Medi-Cal coverage and county medical assistance in any month in which medical services were received in both an SNF/ICF and an acute care facility. In addition, should a disability evaluation subsequently be approved, Aid Code 53 should be changed to a disabled aid code category effective with or retroactive to the disability onset date.

EXAMPLE: Mr. Smith, age 58, enters an SNF on February 7 as an MIA. Mr. Smith falls on February 12, injures himself, and is sent by ambulance to the hospital for acute care. On February 15, Mr. Smith is returned to the SNF where he remains until his release on March 25.

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## MEDI-CAL ELIGIBILITY MANUAL

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Benefits covered by Medi-Cal for February (assuming medical necessity is established for all services) include any outpatient services received by Mr. Smith during the month of February; the care he received in the SNF from February 7 to 12, February 15 to 28, and March 1 to 25; ambulance service; bed-hold at the SNF for a maximum of seven days during Mr. Smith's stay in acute care; and any other care (e.g., pharmaceuticals, therapy) provided to Mr. Smith while he was in the SNF.

Services received during Mr. Smith's stay at the acute care hospital are not covered by Medi-Cal, including the services of his physicians, podiatrists, or dentists, even though Mr. Smith remained on Medi-Cal for the entire month of February. Evaluation for possible county medical assistance should be done for those expenses incurred while Mr. Smith was in the acute care facility. Mr. Smith receives a March Medi-Cal card because of his continued residence in the SNF. He also receives an April Medi-Cal card since there was insufficient time for the county to issue a Notice of Action for discontinuance after his release from the SNF on March 25.

### 3. RETROACTIVE ELIGIBILITY

MIAs may be eligible for retroactive eligibility if both of the following conditions are met:

- a. The MIA resided in an SNF/ICF for one day or more during the month of application, AND
- b. The MIA resided in an SNF/ICF for one day or more during the retroactive month(s) for which Medi-Cal coverage is requested.

The retroactive month(s) are also coded with Aid Code 53, and the same services are covered in the retroactive month(s) as in the current month of eligibility.

### 4. MEDI-CAL IDENTIFICATION CARD

Aid Code 53 identifies a recipient as eligible for Medi-Cal benefits limited to services (outpatient or inpatient) received while residing in an SNF/ICF. County welfare departments need not input any special code to indicate eligibility to limited services. The Medi-Cal identification card for Aid Code 53 contains the following restriction message:

"Services to acute hospital inpatients are not covered."